

**LODI CITY COUNCIL  
SPECIAL CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, AUGUST 1, 2000**

1. ROLL CALL

The Special City Council meeting of August 1, 2000 was called to order by Mayor Mann at 7:04 a.m.

Present: Council Members – Hitchcock (arrived at 7:05 a.m.), Land, Nakanishi, Pennino (left at 7:10 a.m.) and Mann (Mayor)

Absent: Council Members – None

Also Present: City Manager Flynn, City Attorney Hays and City Clerk Blackston

City Clerk Blackston reviewed the Mayor's and Council Member's Calendar for the week of August 1, 2000.

2. REGULAR CALENDAR

- a) Agenda item #B-1 entitled, "Electric Utility staff to proceed with preparation of environmental documents on the transmission line".

NOTE: Council Member Pennino announced that he would be abstaining from discussion and voting on this item due to a potential conflict of interest, and left at 7:10 a.m.

With the aid of overheads (copies of which are on file in the City Clerk's Office), Electric Utility Director Vallow reported that the total Northern California Power Agency (NCPA) pool savings for the period of March through June was \$8.5 million, with a \$3.5 million net revenue. This represents a 35% savings to customers.

Mr. Vallow stated that the purpose of the Interconnect project is to increase reliability. The objective is to achieve full transformer and transmission line redundancy and added generation capacity from the City of Lodi, west to White Slough. The project would interconnect the Lockeford substation and a new substation at the White Slough area. These substations would be operated in parallel. Electric systems studies show that the Interconnect project would improve 27 system elements.

Mr. Vallow noted that this issue came before the Council in 1998, but was stopped in deference to getting more input from the community. The Chamber of Commerce established the Alternative Power Committee, which consisted of the following members:

John Ledbetter, Vino Farms  
Leon Zimmerman, Bank of Lodi  
Sherry Cotta, Cotta Vineyards  
Joe Hohenrieder, Luster-Cal  
Dick Ehrler, Pacific Coast Producers  
Dick Sanborn, Sanborn Chevrolet  
Mike Phillips, Phillips Farms  
Brad Lange, Lange Twins

The Alternate Power Committee reviewed 31 different alternatives. Their guiding principal was that the project would have some measurable visual improvement to the area. Mr. Vallow stated that the proposed \$14.5 million project meets the objectives of the Committee, by visually improving the corridor, adding landscaping, and placing the Pacific Bell lines underground. He noted that the pole height would be 48 feet.

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In response to Mayor Pro Tempore Nakanishi, Mr. Vallow stated that it is not preferable to underground the project. He explained that there are ten failures of an underground system for every one failure of an overhead system.

Mr. Vallow emphasized that if the City is going to maintain the level of reliability that we have come to enjoy and indemnify ourselves from transmission congestion, and the associated prices, we need to move forward with this project. He noted the importance of our ability to get our power home, without paying a premium for transmission service. As an example, he noted that several days during the previous month, the cost of transmission was equal to the cost of generation. He warned that we are at peril by staying where we are at a single point of interconnection.

Community Development Director Bartlam explained that the next step would be to go through the environmental review process. He recommended a mitigated negative declaration. Once the public and environmental review processes are complete, the Council can then give direction to move forward on the project.

Mr. Vallow indicated that if everything goes smoothly, the transmission line could be in service by June 1, 2002.

Speaking on the matter were the following persons:

1. Nancy Ripkin, 14300 North DeVries Road, Lodi, reminded the Council of the compromise the City offered at the Council meeting in 1991 to settle the dispute that a group of west side landowners had over a steam generation plant. The landowners suggested the City locate the plant closer to town, and had numerous objections to the Environmental Impact Report. Former Electric Utility Director Henry Rice offered a compromise at the meeting. If the landowners would drop their objections to the siting of the plant, Lodi would agree not to build a transmission line from the west. Ms. Ripkin had asked Mr. Rice how long the City would agree to be bound by this offer, and he responded "forever". Ms. Ripkin alleged that the proposed transmission line is in direct violation of the 1991 agreement. She stated that the Alternative Power Committee did not represent the landowners and has no power to modify or void the agreement.
2. Steve Reeves, President of the Chamber of Commerce Board of Directors, 1532 East Woodbridge Road, Woodbridge, stated that the Chamber recognizes the urgent need for reliable electrical power. Many of our manufacturers and industrialists are already facing some substantial production and financial losses from brownouts and blackouts. This project will provide more reliable power, which will improve customer service. He warned that if it is not built and power becomes less reliable it will effect the economy of Lodi because some industries will either avoid Lodi, or in some cases, leave.
3. Leon Zimmerman, 3000 Park Oak Drive, Lodi, stated that over the last two years we have lost an opportunity to provide an alternate source of power to the citizens and the businesses in Lodi. The best route has been chosen and the additional items with regard to the removal of the existing poles, landscaping, etc. have mitigated many issues. He urged the Council to vote in favor of the project.
4. Economic Development Director Goehring reported that this project has significant economic benefits to the community. Since 1994, sixteen new businesses/industries have come into the City of Lodi, which have created over 700 jobs. The new system will enhance our ability to attract more sophisticated, high tech businesses and diversify our economic base.
5. Richard Ripkin, 14300 North DeVries Road, Lodi, endorsed burying the power line all the way along Highway 12 and expressed a concern that the project and pole design, as presented today, will likely change before it is completed. He further stated that if the City of Lodi had planned with PG&E, there would be more than enough power from the east.

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In response to Council Member Hitchcock, City Attorney Hays stated that the project talked about in the 1990s was very different than what is being discussed at this time. Further, he noted that the circumstances the City faces today are significantly different than they were early in the 1990s, such as the possible deregulation of the electric utility industry in California caused by AB1890.

In addition, Mr. Vallow pointed out that when Sacramento Municipal Utility District (SMUD) shut down the Rancho Seco power plant, it threw the transmission area into somewhat of a disarray.

6. Bob Johnson, 1311 Midvale Road, Lodi, pointed out that when this project first began 8 to 10 years ago, the City of Lodi had an opportunity to gain unlimited electricity from the western part of our area. However, as the Sacramento area has grown, the opportunity to gain that electricity has become more and more diminished. Highway 12 is a public utility corridor, and it is designed to handle this project. He urged the Council to move ahead on the project.

Council Member Land recounted some of the changes that have occurred during the past 10 years: 1) Lodi now has 765 thousand acres of grapes, 2) deregulation of electricity has put the City in a very competitive mode, and 3) a 985 thousand square foot warehouse was built by PCP, which relies on our reliability to provide them with electricity. In addition, he noted that consumers are interested in a clean source of electricity, reliability, and competitive rates.

MOTION:

The City Council, on motion of Council Member Land, Hitchcock second, directed staff to commence with the environmental process necessary to design, construct, and operate a 60kV transmission project by the following vote:

Ayes: Council Members – Hitchcock, Land, Nakanishi and Mann (Mayor)  
Noes: Council Members – None  
Absent: Council Members – None  
Abstain: Council Members – Pennino

Mayor Pro Tempore Nakanishi commented that it is too costly for underground lines.

Mayor Mann stated that we have a responsibility to every person who lives within the City of Lodi to provide reliable power. PG&E has not been reliable and has made it clear that they do not intend to invest money in the Lockeford substation, which would have increased our reliability. It is prudent for the City of Lodi as a power supplier to our citizens to provide an alternate route and alternate source of electricity. Placing the transmission line underground is out of the question given the cost.

3. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

4. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 8:25 a.m.

ATTEST:

Susan J. Blackston  
City Clerk